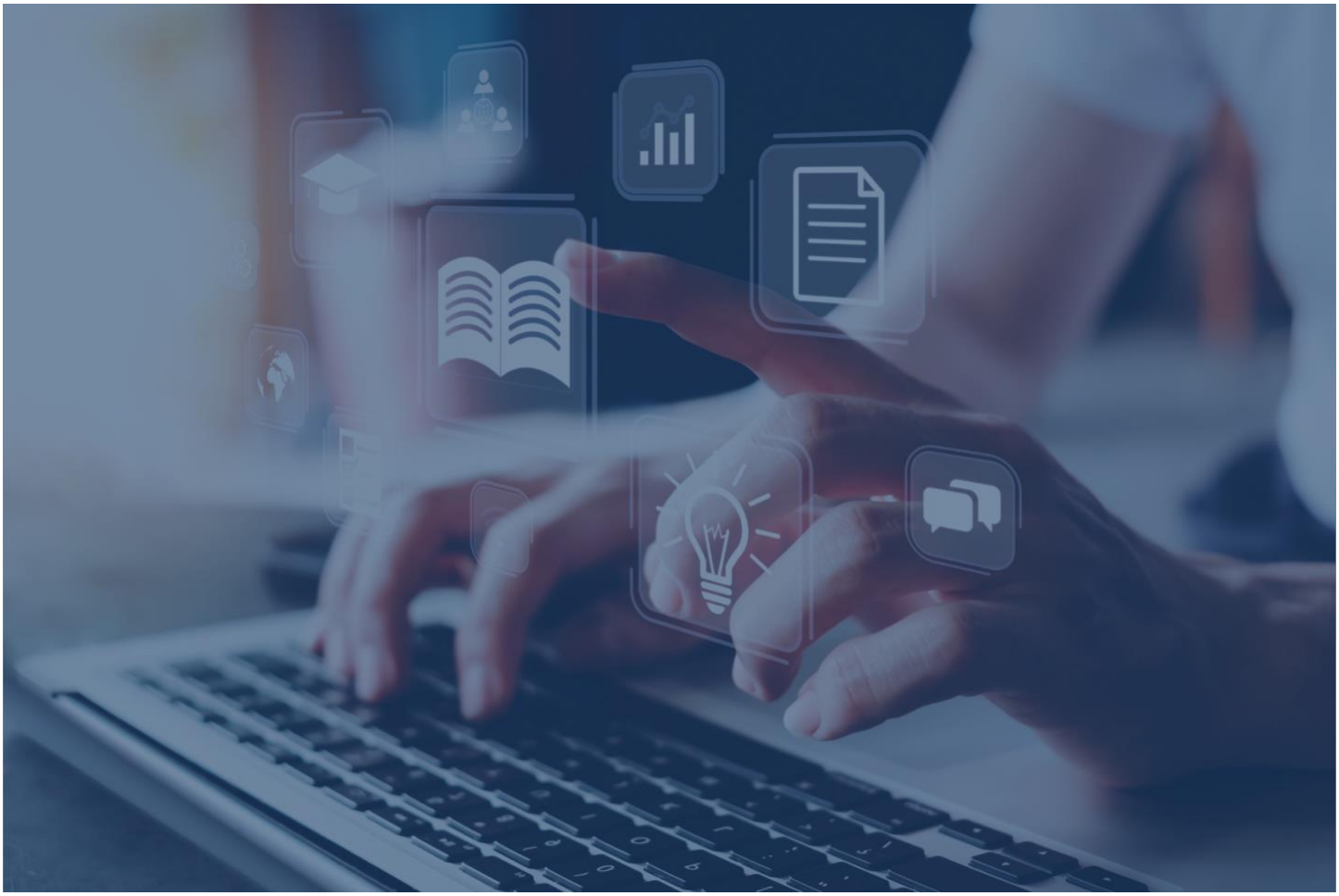


2026 Virtual BSA / AML / CFT Compliance Conference

Banker's Compliance Consulting Powered by Brady Martz

November 5, 2026

trainingfi@bradymartz.com

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This publication is designed to provide accurate and authoritative information regarding the subject matter covered. The information contained within this manual pertains to federal regulations. Banker's Compliance Consulting Powered by Brady Martz makes every attempt to understand applicable state laws as well; however, this information may not be represented in this manual. If you are aware of state laws that conflict with information presented in this manual, please contact Banker's Compliance Consulting Powered by Brady Martz. This publication contains the author's opinion on the subject. All rights reserved. This manual may not be reproduced in whole or in part in any form whatsoever without permission from the publisher. The publisher hereby specifically disclaims any personal liability for loss or risk incurred as a consequence of the advice or information presented in this book.

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AML / CFT Update –

2026 & Beyond

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Compliance in 2026 & Beyond

I. Compliance in 2026 – A Look Back:

1. Department of Treasury Announces Initiatives to Combat Fraud in Minnesota (January 9, 2026):

   Complex fraud rings in Minnesota have stolen billions of dollars from state programs for their personal enrichment in the United States and abroad. Perpetrators stole money to purchase residential and commercial real estate, luxury goods, vehicles, planes, international flights and other luxury expenses—all at the cost of the U.S. taxpayer.

   https://home.treasury.gov/news/press-releases/sb0354

2. FinCEN Alert on Fraud Rings and Their Exploitation of Federal Child Nutrition Programs in Minnesota [FIN-2026-Alert001] (1-9-26):

   These fraud rings have defrauded the U.S. government of at least $300 million meant for children in need in Minnesota, using fraud proceeds for their own personal enrichment in the United States and abroad.

   https://www.fincen.gov/system/files/2026-01/FinCEN-Alert-Federal-Child-Nutrition-Programs.pdf

3. ECOA Noncitizen Borrower Joint Statement Withdrawal – CFPB and Department of Justice – 1/12/26:

   The Consumer Financial Protection Bureau (Bureau) and Department of Justice (DOJ) are withdrawing a joint statement issued in October 2023 regarding the implications of a creditor's consideration of an individual's immigration status under the Equal Credit Opportunity Act (ECOA).

   https://www.govinfo.gov/content/pkg/FR-2026-01-12/pdf/2026-00328.pdf

4. Voluntary Self-Disclosure Portal – OFAC – 2/6/26:

   To further improve customer service, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is launching a new online Voluntary Self-Disclosure Portal. This portal provides a streamlined, secure method for submitting voluntary self-disclosures of potential violations of OFAC-administered sanctions programs. By transitioning to this online system, OFAC aims to increase efficiency and transparency for persons submitting information, enabling faster acknowledgment of submissions, clearer communication throughout the review process, and a more user-friendly experience overall. OFAC strongly encourages parties to begin submitting voluntary self-disclosures through the new online portal.

   https://ofac.treasury.gov/recent-actions/20260206_33

5. Exceptive Relief to Streamline CDD – FinCEN Order – 2/13/26:

   Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an order granting exceptive relief to covered financial institutions from certain requirements under FinCEN's Customer Due Diligence Requirements for Financial Institutions rule (the "2016 CDD Rule"). The order excepts covered financial institutions from the requirement to identify and verify the beneficial owners of a legal entity customer each time the customer opens a new account.

   https://www.fincen.gov/news/news-releases/fincen-issues-exceptive-relief-streamline-customer-due-diligence-requirements

6. Whistleblower Tips on Fraud, Money Laundering and Sanctions Violations – FinCEN Launch – 2/13/26:

   The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) today launched a new dedicated webpage to confidentially accept whistleblower tips on fraud, money laundering, and sanctions violations. While in Minnesota last month in support of President Trump's efforts to stop the rampant government benefits fraud schemes, which have cost taxpayers billions of dollars, Secretary of the Treasury Scott Bessent announced that Treasury would provide financial rewards for eligible whistleblower tips.

   https://home.treasury.gov/news/press-releases/sb0394

7. Two New Resources to Guide AI Use in the Financial Sector– Treasury Press Release – 2/19/26:

   In support of the President's AI Action Plan, which calls for clear standards, shared understanding, and risk-based governance to ensure artificial intelligence is deployed safely and responsibly, the U.S. Department of the Treasury today released two new resources to guide AI use in the financial sector, a shared Artificial Intelligence Lexicon and the Financial Services AI Risk Management Framework (FS AI RMF).

   "Implementing the President's AI Action Plan requires more than aspirational statements, it requires practical resources that institutions can use," said Derek Theurer, who is performing the duties of Deputy Secretary of the Treasury. "By establishing a common language for AI and a tailored framework for managing AI risks in financial services, these deliverables help protect consumers while supporting responsible innovation."

   https://home.treasury.gov/news/press-releases/sb0401

8. Prohibited Use of Reputation Risk – FRB Proposal – 2/24/26:

   The proposal would prohibit the Board from encouraging or compelling Board-supervised banking organizations to deny or condition the provision of banking or other financial products or services to an individual or business based on their constitutionally protected political or religious beliefs, associations, speech, or conduct, or based on involvement by the individual or business in politically disfavored but lawful business activities perceived to present reputation risk.

   https://www.federalreserve.gov/newsevents/pressreleases/bcreg20260223a.htm

9. Reputation Risk Removed from FFIEC BSA/AML Examination Manual – 2/27/26:

   In February 2026, the Federal Financial Institutions Examination Council, on behalf of its members, released updates to the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual to remove references to reputational risk, consistent with Executive Order 14331 of August 7, 2025. The updates do not establish new requirements.

   https://bsaaml.ffiec.gov/whatsnew

10. NCUA/FDIC Financial Scams Webinar – 3/2/26:

    The National Credit Union Administration (NCUA) will host 'Financial Education & Frontline Action to Address Scams' on Thursday, March 12 at 1p.m. The one-hour webinar, hosted in collaboration with the Federal Deposit Insurance Corporation, will focus on today's most prevalent financial scams and the actions financial institutions can take to reduce risk and protect consumers.

    https://ncua.gov/newsroom/press-release/2026/ncua-and-fdic-host-webinar-financial-scams

11. 2026 National Risk Assessments – Treasury Reports – 3/26:

    a. National Money Laundering Risk Assessment:

       https://home.treasury.gov/system/files/246/2026-NMLRA.pdf

    b. National Terrorist Financing Risk Assessment:

       https://home.treasury.gov/system/files/246/2026-NTFRA.pdf

    c. National Proliferation Financing Risk Assessment:

       https://home.treasury.gov/system/files/246/2026-NPFRA.pdf

12. Southwest Border Geographic Targeting Orders – FinCEN FAQs – 3/19/26:

    To assist Covered Businesses in complying with the GTO, FinCEN is disseminating this list of Frequently Asked Questions (FAQs). These FAQs are applicable only to this GTO, as reissued, and shou

    https://www.fincen.gov/system/files/2026-03/SWB-GTO-FAQs.pdf

13. Rule to Pay Whistleblowers – FinCEN Proposal – 3/30/26:

    Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) submitted to the Federal Register a Notice of Proposed Rulemaking (NPRM) to fully implement a whistleblower program by establishing a framework for offering incentives and protections to encourage individuals to report tips on fraud-related violations of the Bank Secrecy Act, U.S. sanctions programs administered by Treasury's Office of Foreign Assets Control, and several other laws critical to safeguarding the U.S. financial system and national security.

    https://www.fincen.gov/news/news-releases/fincen-proposes-rule-pay-whistleblowers

14. Healthcare Fraud Scheme – FinCEN Advisory – 3/30/26:

    The U.S. Department of the Treasury's (Treasury) Financial Crimes Enforcement Network (FinCEN) is issuing this Advisory in close coordination with the Federal Bureau of Investigation (FBI) and the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) to urge financial institutions1 to be vigilant in identifying and reporting suspicious transactions potentially related to health care fraud schemes targeting Medicare, Medicaid, and other Federal and state health care benefit programs (hereafter "Health Care Benefit Programs"). This Advisory builds on Treasury's work to combat the potentially billions of dollars in rampant health care and government benefits fraud in Minnesota and across the country.

    https://www.fincen.gov/system/files/2026-03/FinCEN-Advisory-Health-Care-Fraud.pdf

15. OFAC Advisory on Sham Transactions & Sanctions Evasion (March 31, 2026):

    Sham transactions occur when blocked persons, often operating through proxies or other intermediaries, effectuate transfers or establish arrangements that conceal—rather than genuinely extinguish—a continuing interest in property. In other words, blocked persons give up their property on paper only, in an attempt to evade sanctions, while their interests in property remain unchanged.

    https://ofac.treasury.gov/media/935441/download?inline

16. AML/CFT Programs – FinCEN Proposal – 4/7/26:

    Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued a proposed rule intended to fundamentally reform financial institutions' anti-money laundering and countering the financing of terrorism (AML/CFT) programs under the Bank Secrecy Act (BSA). The proposed rule supports Treasury's efforts to modernize the U.S. AML/CFT regulatory and supervisory framework, and to ultimately reduce compliance burden. The proposed rule would promote risk-based, reasonably designed programs and greater consistency in how banks are evaluated for effectiveness.

    https://www.fincen.gov/news/news-releases/fincen-proposes-rule-fundamentally-reform-financial-institution-programs

17. FinCEN: Financial Trend Analysis on Fentanyl-Related Illicit Finance – 4/26:

    This Financial Trend Analysis (FTA) focuses on patterns and trends identified in Bank Secrecy Act (BSA) data linked to fentanyl-related illicit finance.

    https://www.fincen.gov/system/files/shared/FinCEN-FTA-Fentanyl.pdf

18. FinCEN Year in Review (2025) – FinCEN Report – 4/26:

    In FY25, FinCEN leveraged its tools to advance the Administration's highest national security and law enforcement priorities and protect the lives and livelihoods of the American people, including countering cartels and drug trafficking; imposing maximum pressure on Iran; fighting child sexual exploitation; and combating fraud. In parallel, FinCEN has also worked to modernize the U.S. anti-money laundering and countering the financing of terrorism (AML/CFT) regime and support the Department of the Treasury's efforts to promote the responsible growth and use of digital assets.

    https://www.fincen.gov/about-fincen/fincen-year-review

19. OCC, FDIC and FRB Update Model Risk Management Guidance – Bulletin – 4/17/26:

    The Office of the Comptroller of the Currency (OCC) today, in coordination with the Board of Governors of the Federal Reserve System (Federal Reserve Board) and the Federal Deposit Insurance Corporation (FDIC), issued updated model risk management guidance for OCC-supervised institutions. These actions build upon the OCC's ongoing efforts to tailor its supervisory framework to reduce unnecessary burden and promote risk-based examination across institutions of all sizes.

    The updated guidance serves in part to rescind prior model risk management guidance and other issuances and to clarify that model risk management practices should be risk-based, tailored, and commensurate with a banking organization's size, complexity, and extent of model use. The guidance does not set forth enforceable standards or prescriptive requirements, and non-compliance will not result in supervisory criticism.

    https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-13.html

20. FinCEN Reissues CDD FAQs – FinCEN FAQs – 5/6/26:

    The Financial Crimes Enforcement Network ("FinCEN") is re-issuing frequently asked questions (FAQs) regarding customer due diligence requirements for covered financial institutions. These FAQs were separately published on July 19, 2016, April 3, 2018, and August 3, 2020, to assist covered financial institutions in understanding the scope of the final rule Customer Due Diligence Requirements for Financial Institutions, published on May 11, 2016, and amended on September 29, 2017 ("CDD Rule" or "the Rule"). The purpose of re-issuing the FAQs is to consolidate the three sets of FAQs into one document and update certain FAQs to align with the exceptive relief order FinCEN issued on February 13, 2026 (FIN-2026-R001) ("Account Opening Exceptive Relief Order").

    https://www.fincen.gov/system/files/2026-05/CDD-Rule-Consolidated-FAQs.pdf

21. OCC Semi-Annual Risk Perspective – OCC Publication – 5/26:

    The OCC's Semiannual Risk Perspective (SARP) identifies key issues facing banks. This report does not set forth policy on any statutory, regulatory, or technical issue nor an interpretation of a statute or regulation. The report reflects data as of December 31, 2025, unless otherwise indicated.

    https://www.occ.gov/publications-and-resources/publications/semiannual-risk-perspective/files/pub-semiannual-risk-perspective-spring-2026.pdf

22. FinCEN Notice on the Threat of Human Trafficking During the 2026 FIFA World Cup – 5/11/26:

    While human trafficking is an ever-present threat in the United States, major events such as the 2026 FIFA World Cup can create a concentrated demand for licit and illicit services, including commercial sex acts and involuntary servitude, resulting in increased vulnerability for human trafficking.

    https://www.fincen.gov/system/files/2026-05/FinCEN-WCHT-Notice.pdf

23. FinCEN Alert on the Use of Front Companies, Financial Facilitators, and Digital Asset Infrastructure by Iran's Islamic Revolutionary Guard Corps (IRGC) to Evade Sanctions and Launder Proceeds [FIN-2026-Alert002] (May 11, 2026):

    As described in FinCEN's 2025 Iran Advisory, the IRGC relies on complex financial facilitation networks comprised of exchange houses, front companies, financial facilitators, and other service providers operating across multiple jurisdictions to obscure beneficial ownership, disguise the origin of funds, and enable movement of proceeds linked to sanctions evasion and other illicit activity.

    https://www.fincen.gov/system/files/2026-05/FinCEN-Alert-IRGC.pdf

24. Restoring Integrity to Americas Financial System – Executive Order – 5/19/26:

    Today, President Donald J. Trump signed an Executive Order to protect America's financial system from illicit activity, strengthen customer identification requirements for financial institutions, and address the credit risks posed by extending financial services to non-work authorized illegal aliens.

    https://www.whitehouse.gov/presidential-actions/2026/05/restoring-integrity-to-americas-financial-system/

25. Integrating Financial Technology Innovation Into Regulatory Frameworks – Executive Order – 5/19/26:

    Today, President Donald J. Trump signed an Executive Order to streamline regulations and promote financial innovation and collaboration between financial technology (fintech) firms, federally regulated financial institutions, and Federal financial regulators.

    https://www.whitehouse.gov/presidential-actions/2026/05/integrating-financial-technology-innovation-into-regulatory-frameworks/

26. FDIC BSA and Sanctions Proposal for Stablecoin Issuers – FDIC Press Release – 5/22/26:

    The Federal Deposit Insurance Corporation (FDIC) Board of Directors approved a notice of proposed rulemaking that would implement Bank Secrecy Act (BSA) and sanctions compliance standards applicable to FDIC-supervised permitted payment stablecoin issuers (PPSIs) as required by the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

    Specifically, the proposed rule would require FDIC-supervised PPSIs to comply with applicable regulations regarding anti-money laundering/countering the financing of terrorism (AML/CFT) and economic sanctions programs, and reporting requirements, including requirements established by the Department of Treasury's Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control. The proposed rule would also establish and align supervision and enforcement provisions for PPSI AML/CFT programs with FinCEN requirements.

    https://www.fdic.gov/news/press-releases/2026/fdic-board-approves-proposal-address-bank-secrecy-act-and-sanctions

27. Non-Work Authorized Populations – FinCEN Advisory – 6/5/26:

    ...to advise financial institutions1—in particular, banks—to be vigilant against fraud schemes and other suspicious or potentially criminal activities involving the unlawful employment of illegal aliens and the associated risks to the integrity of the U.S. financial system. Through these schemes, employers can gain an unfair advantage over legitimate U.S. businesses; depress wages; facilitate identity theft of people who are authorized to work in the United States, including American citizens; and steal millions of dollars in Federal and state payroll tax revenue meant for government benefit programs. Non-work authorized populations and their employers often rely on access to the U.S. financial system. In certain instances, the access to financial services and unlawfully obtained wages can be leveraged to facilitate the financing of transnational criminal organizations (TCOs)—several of which have been designated as Foreign Terrorist Organizations (FTOs)—and their global criminal enterprises, including drug trafficking, human trafficking, and other illegal activity in the United States.

    https://www.fincen.gov/system/files/2026-06/FinCEN-Advisory-Non-Work-Authorized-Populations.pdf

28. Statement on Ability to Repay and Immigration Status – CFPB Guidance – 6/8/26:

    The Consumer Financial Protection Bureau (Bureau or CFPB) is issuing this statement to remind creditors of their obligations under the Truth in Lending Act (TILA) as implemented by Regulation Z, and consistent with Executive Order 14406, titled ''Restoring Integrity to America's Financial System.''

    https://www.govinfo.gov/content/pkg/FR-2026-06-08/pdf/2026-11447.pdf

29. Helping FI's Eliminate Fraud Through Sharing – FinCEN Guidance – 6/12/26:

    Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued updated guidance to clarify how financial institutions can share information with each other about suspected fraud under section 314(b) of the USA PATRIOT Act.

    https://www.fincen.gov/news/news-releases/fincen-issues-guidance-help-financial-institutions-eliminate-fraud-through

30. FinCEN and Agencies Propose GENIUS Act CIP Rule – Proposal -6/18/26:

    Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), together with the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration issued a joint proposed rule to implement provisions of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

    https://www.fincen.gov/news/news-releases/fincen-agencies-propose-rule-implement-genius-act-customer-identification

31. FinCEN Supplemental Alert on Fuel Smuggling and Tax Evasion Schemes on the Southern Border Associated with Mexico-Based Cartels (June 30, 2026):

    Fiscal fuel theft refers to the circumvention of Mexican taxes on fuel that is illicitly imported from the United States via various smuggling methods. These schemes reflect an evolution of traditional fuel and oil theft (huachicol) in Mexico.

    https://www.fincen.gov/system/files/2026-06/FinCEN-Alert-Fiscal-Fuel-Theft.pdf

32. FinCEN (via Treasury) Agency Rulemaking List 2026 – 7/26:

    https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST&currentPub=true&agencyCode=&showStage=active&agencyCd=1500&csrf_token=813D30FE4D0796071ED97D064A7003CD01D8D9A5BDDF7A78C20697B8BB7226D0E4A55379554FC4C850F5C2EEF67F85BE29A2